



Kali Expands Pilbara Joint Venture with SQM

Highlights

- **Kali Metals (ASX:KM1) (“Kali Metals” or “the Company”) has reached an agreement with SQM, the existing joint venture (“JV”) partner in its exploration projects in the Pilbara, to expand the area of the JV and amend the terms of the existing Earn-In Agreement¹.**
- **As part of the expanded JV, Kali has entered into binding transaction documentation to acquire the following strategic additional Pilbara tenements:**
 - DOM’s Hill: Exploration licence applications E45/6646 and E45/6647; and
 - Pear Creek: Exploration licence E45/6457.
- **The new tenements:**
 - Are contiguous to the Company’s existing tenement portfolio in the Pilbara (Refer Figure 1), and so the Company is well placed to capitalise on cost synergies in its exploration of this new tenure; and
 - Increase the Company’s Pilbara landholding by ~129km².
- **The Company has also renegotiated the terms of its Earn-In Agreement with SQM. Key amendments include:**
 - Newly acquired tenements (refer above) to be incorporated into the JV;
 - SQM to spend a minimum of \$500,000 on exploration by 15 December 2025 to retain its 30% interest in Kali’s DOM’s Hill and Pear Creek tenements (Refer Annexure A for tenements covered by the Earn-In Agreement);
 - SQM have committed to an additional \$1,000,000 of expenditure, now \$4,250,000 by 15 December 2026, to earn a 50% interest in the expanded JV tenements; and
 - Kali to retain 100% ownership of Marble Bar Project (Refer Figure 1).

Paul Adams, Managing Director of Kali Metals commented:

“Kali is delighted to secure E45/6646, E45/6647 and E45/6457, all of which are strategically placed to allow Kali to expand its exploration plans in the highly prospective lithium region of the Pilbara. As flagged in its Prospectus, the Company has been assessing and reviewing a number of opportunities to expand its portfolio of assets and is pleased to be able to execute these agreements. This acquisition will increase our Pilbara lithium footprint and the potential of delivering value through the discovery of a lithium resource in the Pilbara.

We are also pleased to have renegotiated the terms of our Earn-In Agreement with SQM to not only include these new tenements, but also increase the expenditure commitment for SQM’s 50% earn-in right, by \$1 million. Kali has enjoyed a successful working relationship with SQM in the Pilbara, and we look forward to exploring with SQM on our new and existing tenements.”

¹ Refer section 2.2(a)(iii) of the Prospectus dated 3 November 2023.

The Pilbara

The Pilbara region of WA is the “Land of the Lithium Giants”. Kali’s Pilbara Projects include DOM’s Hill and Marble Bar, located east of world-class lithium deposits Pilgangoora and Wodgina (Refer Figure 1).

From completion, acquisition of the new tenements will increase Kali’s landholding in the Pilbara by ~129km². Given the contiguousness of the new tenements to Kali’s existing Pilbara tenure, in particular its DOM’s Hill and Pear Creek Projects (Refer Figure 1), the Company is in a great position to capitalise on cost synergies and efficiencies to streamline its exploration in this highly prospective lithium region.

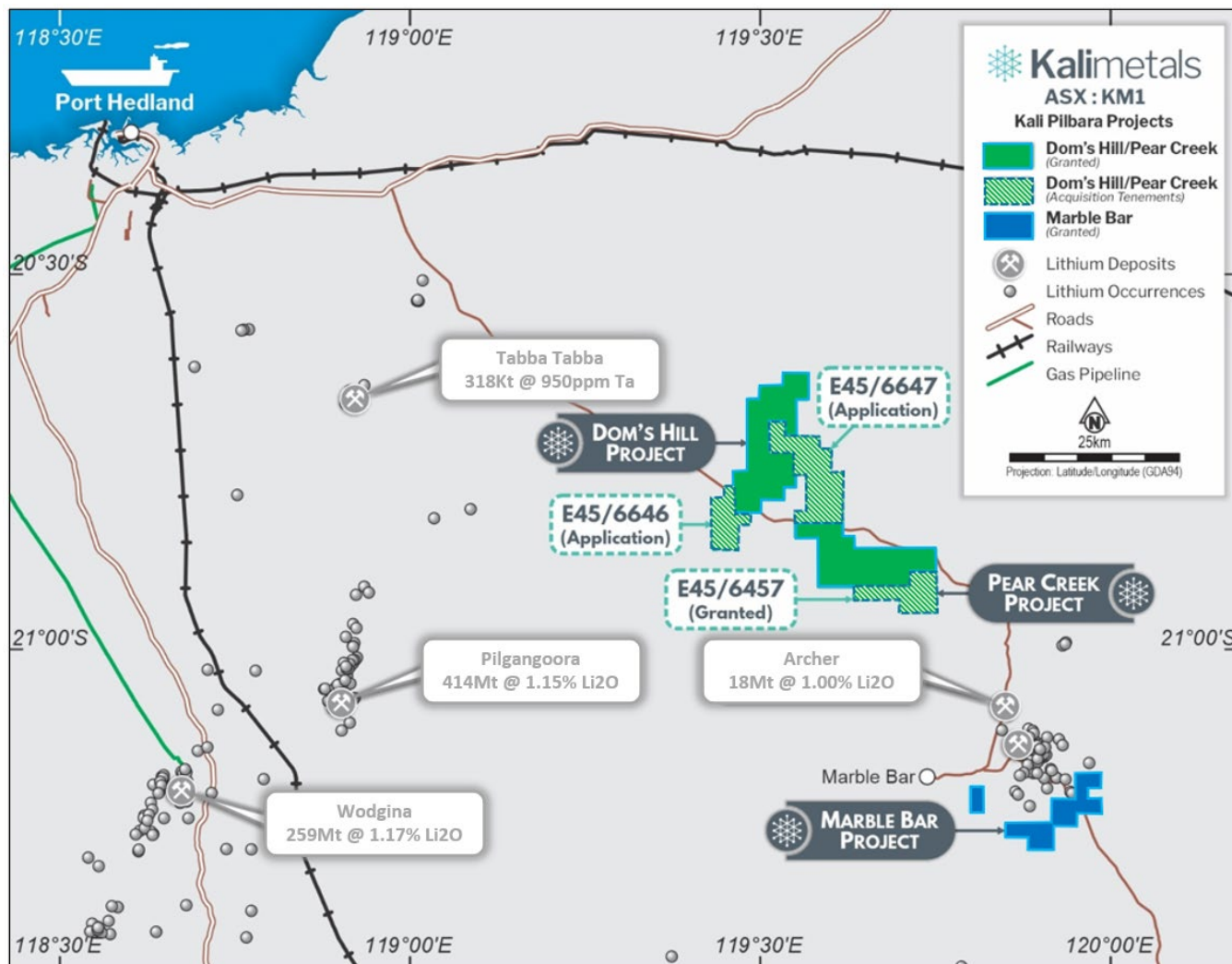


Figure 1. Kali's Pilbara tenure post-completion of the acquisition of the New Tenements²

² Tenements shaded green are covered by the amended terms of the SQM Earn-In Agreement. Tenements shaded in blue are not.



The New Tenements

DOM's Hill

Exploration licence applications E45/6646 and E45/6647 are contiguous to the South-West and East of Kali's DOM's Hill Project (Refer Figure 1).

As part of a preliminary due diligence, Kali completed a desktop review to evaluate the lithium prospectivity of the additional tenements. The new tenements host a large volume of Aplite rock, indicating potential as a favourable geological setting for pegmatite emplacement.

Kali is acquiring the new DOM's Hill tenements from major shareholder Kalamazoo Resources Limited (**ASX: KZR "Kalamazoo"**) for cash consideration of \$100,000 + GST.

Pear Creek

Exploration licence E45/6457 is located contiguously to the South of Kali's existing Pear Creek Project (Refer Figure 1). Kali's preliminary due diligence on E45/64567 suggests further exploration to test lithium mineralisation at this tenement is warranted.

Kali is acquiring E45/6457 from Kalamazoo for \$20,000 + GST.

The Australian Securities Exchange confirmed Listing Rules 10.1, 11.1.2 and 11.1.3 do not apply to the acquisition of the new tenements, and the Company confirms it will not reallocate any funds from existing projects to explore on the new tenements.

SQM Earn-In Agreement

Key Amendments

The Company has renegotiated the terms of its Earn-In Agreement with SQM³. Key amendments include:

- Newly acquired tenements (refer above) to be incorporated into the joint venture;
- SQM to spend \$500,000 on exploration by 15 December 2025 to retain its 30% interest in Kali's DOM's Hill and Pear Creek tenements (Refer Figure 1 for tenements covered by the Earn-In Agreement);
- Increased \$1,000,000 commitment, now \$4,250,000 by 15 December 2026, to earn 50% interest in relevant tenements; and
- Kali to retain 100% ownership of Marble Bar Project (Refer Figure 1).

For a full list of the tenements covered by the Earn-In Agreement, refer Annexure A.

Marble Bar

The Marble Bar tenements (Refer Figure 1) are to be retained 100% by Kali under the new terms of the Earn-In Agreement. The Company is excited about the lithium potential, with the tenements located due south of Archer lithium deposit. Previously, a 1.4km long LCT pegmatite outcrop was located by Kalamazoo Resources Limited prior the Company's official admission to the ASX in January 2024, with the spodumene-lepidolite mineralogy confirmed in thin sections⁴. The main pegmatite hosts lithium mineralisation up to 2.81% Li₂O⁵.

³ Refer section 2.2(a)(iii) of the Prospectus dated 3 November 2023.

⁴ Refer section 2.2(a)(ii) of the Company's Prospectus dated 3 November 2023.

⁵ Refer ITAR in the Company's Prospectus dated 3 November 2023.



Authorised for release by the Board of Kali Metals Limited.

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About Kali Metals Limited

Kali Metals' (ASX: KM1) portfolio of assets represents one of the largest and most prospective exploration packages across Australia's world leading hard-rock lithium fields. Kali's 3,854km² exploration tenure is located near existing, emerging, and unexplored lithium and critical minerals regions in WA including the Pilbara and Eastern Yilgarn and the Lachlan Fold Belt in NSW and Victoria.

Kali Metals has a team of well credentialed professionals who are focused on exploring and developing commercial lithium resources from its highly prospective tenements and identifying new strategic assets to add to the portfolio. Lithium is a critical component in the production of electric vehicles and renewable energy storage systems. With the rapid growth of these industries, the demand for lithium is expected to increase significantly in the coming years. Kali Metals is committed to playing a key role in meeting this demand and powering the global clean energy transition.

Forward Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kali's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Kali believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.



Annexure A – Tenements covered by the SQM Earn-In Agreement

E45/4919

E45/4722

E45/4887

E45/5146

E45/5935

E45/5934

E45/3856

E45/4616

E45/5813

E45/6457

E45/5943

E45/6646

E45/6647